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Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of

Amendment of Parts 15 and 90 of the Commission's Rules to Provide Additional Frequencies for Cordless Telephones

ET Docket No. 93-23

TO: The Commission

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OPPOSITION TO PETITION FOR RECONSIDERATION

Sony Electronics Inc. ("Sony"), by its counsel, hereby submits its opposition to the Petition for Reconsideration in the above-captioned proceeding filed by the American Petroleum Institute ("API") on June 5, 1995. 1/

For the reasons set forth below, the changes proposed by API to the Commission's Report and Order in this proceeding are unnecessary. API's concerns with respect to potential interference to PLMRS users already have been fully considered and addressed by the Commission.

Moreover, adoption of API's proposals would be contrary to the public interest. API's proposals would increase the cost to consumers of portable telephones which utilize the additional

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^{1/}Public notice of the filing of that Petition was given in the Federal Register on June 26, 1995. 50 Fed. Reg. 32961. That notice specified that oppositions to the Petition must be filed no later than July 11, 1995.

frequencies authorized by the Commission. In addition, they would interrupt the flow of new cordless telephones from Sony (which already has been issued the appropriate Grants of Equipment Authorization by the Commission) and would prevent other electronic equipment manufacturers from quickly bringing these new cordless telephones to the market. Thus, the net effect would be to postpone the day that American consumers will receive the desired relief from existing channel crowding and interference. Accordingly, API's Petition should be denied.

I. API'S CONCERNS HAVE BEEN FULLY CONSIDERED AND ADDRESSED BY THE COMMISSION.

API argues that the rules adopted by the Commission in the above-captioned proceeding "do not fully protect against interference to the PLMRS if the PLMRS user commences operation on a frequency after a cordless telephone has already established a link on that channel." Accordingly, API argues that one of two alternate solutions should be adopted.

API's preferred solution is an amendment to the Commission's Rules that would require manufacturers to produce equipment that automatically switches to an unused channel pair whenever PLMRS operation occurs -- whether before or after a cordless telephone link has been established. If that change is not adopted, API asks that the Commission require manufacturers to place on both the exterior packaging and the equipment a

statement², the purpose of which, in API's words, it to "raise consumer awareness as to the type of device they are purchasing."

Contrary to API's assertion, the Commission did fully consider and evaluate in its <u>Report and Order</u> in this proceeding the claims of API and others concerning the potential for interference to PLMRS. Indeed, the rules ultimately adopted by the Commission were specifically geared to address API's concerns with respect to possible interference to PLMRS. Thus, the requirement that the new equipment incorporate an automatic channel selection mechanism was adopted by the Commission to "further mitigate the risk of interference" beyond the already low level that the Commission found to exist. Moreover, the

Existing high-power commercial radio users have channels that may coincide with the 15 new (additional) cordless telephone frequencies on this enhanced cordless telephone unit. Existing commercial users' radios may cause interference to this cordless telephone set during your telephone conversation and make your conversation difficult to understand, should such a radio be operated nearby. The FCC has recognized the primary status of the existing commercial users. You must accept interference to your cordless telephone from these existing users. You have no legal basis for complaint to either the FCC or the commercial radio users. (Emphasis in original.)

Petition at 7.

^{2/}The statement requested by API is as follows:

In general, the Commission found the potential for interference from cordless telephones to PLMRS operators to be very low because of the relatively high power of PLMRS systems versus cordless telephones. Thus, the Commission found that "a PLMRS system designed to be reliable in the presence of ambient background noise, such as the noise from vehicle ignition systems, will not be adversely affected by the operation of

requirement that the automatic channel selection mechanism operate if either the base or the handset transmission frequency is occupied was adopted by the Commission "[i]n response to API's concern." Report and Order at 10.

However, the Commission specifically declined to adopt API's current proposal that the automatic channel selection mechanism be required to change channels if PLMRS operation is detected after a cordless telephone connection is established. Rather, it left to manufacturers the flexibility to address this issue, in the unlikely event it becomes a problem, and relied on the ability of the cordless telephone user to manually switch to another available channel in the event PLMRS transmissions interfered with a conversation. As the Commission stated:

We recognize that all automatic channel selection mechanisms may not prevent interference to the cordless telephone user if a PLMRS transmitter begins operation after the cordless telephone connection is established. However, Section 15.5(b) of our rules require (sic) that users accept such interference. As such, if a cordless telephone conversation is interrupted by a PLMRS user, the conversation may be continued by switching to another available channel. We also do not find that it is necessary or desirable to impose more specific design standards for the automatic channel selection requirement. We believe that it is important to allow manufacturers the flexibility to implement this requirement in a manner that best suits the design of their equipment. Report and Order at 10-11.

cordless telephones." Report and Order at 7.

Thus, API's concerns, and its preferred method of dealing with those concerns, already have been fully considered and addressed by the Commission.

API's alternative proposal, to require manufacturers to place large labels on the exterior packaging and on the cordless telephone equipment warning consumers of the potential for interference from PLMRS users, is puzzling in view of API's primary focus on protecting PLMRS users from cordless telephone interference. On its face, API's alternative proposal would do nothing to protect PLMRS users. Instead, it appears to be focused on guarding against interference to cordless telephone users from PLMRS operators.

However, Sony believes that the effect of the new labels proposed by API would be to discourage consumers from buying or using the new cordless telephones permitted by the Commission's decision. The language proposed by API for the label is set forth in full in footnote 2 above. That language would advise consumers that conversations using the new equipment are subject to interference which might render a conversation unintelligible and that there is no legal remedy available to correct such interference.

Discouraging consumer purchase or use of this equipment through the use of these labels undoubtedly would protect PLMRS

users by reducing the number of such new cordless telephones that are bought or used. Nevertheless, Sony submits this would be directly contrary to the Commission's purpose in permitting use of the new frequencies -- which is to alleviate congestion and interference on the already authorized cordless telephone frequencies. Because API's suggested labelling requirement would discourage use of these new frequencies by consumers, it should be rejected as fundamentally inconsistent with the Commission's Report and Order.

II. ADOPTION OF EITHER OF API'S PROPOSALS WOULD INCREASE THE PRICE THAT CONSUMERS MUST PAY FOR THE NEW CORDLESS TELEPHONES AND WOULD DELAY THE INTRODUCTION OF THESE NEW TELEPHONES TO THE MARKETPLACE.

Along with many other parties, Sony submitted Comments in this proceeding and supported the Commission's proposal to provide additional channels for 46/49 MHz cordless telephones. However, at this juncture, Sony is among a handful of companies able to comment on the basis of first-hand experience about the effect of adopting API's proposal. At the present time, Sony is actively selling cordless telephones in the United States that operate on the new frequencies and is one of the few companies that has received authority from the Commission to do so.

Sony obtained a Grant of Equipment Authorization from the Commission to begin marketing cordless telephones utilizing the newly authorized frequencies by demonstrating to the

Commission its compliance with the Commission's requirements concerning those frequencies, including the use of an automatic channel selection mechanism that prevents the establishment of a cordless telephone link on any occupied frequency. The cordless telephones now being sold by Sony for operation on these new frequencies also comply with the already existing Part 15 labelling requirements.

If either of API's proposals were to be adopted, it would almost inevitably result in some interruption in Sony's ability to provide consumers with adequate supplies of the new telephones. Should the Commission adopt API's first proposal, Sony, as well as other manufacturers who either are already offering the new cordless telephones or are in the process of designing them or obtaining Commission approval for these new products, would be required to redesign their cordless telephones. Moreover, the redesigned products would have to be tested and the results again submitted to the Commission for review and approval.

Adoption of API's alternative proposal to impose an additional labelling requirement also might adversely affect Sony's ability to continue to supply the market and would delay the entry of other competitors. As Sony previously has commented in response to the Commission's proposal to revise the approval requirements for personal computers and peripherals, there is a

long lead time for preparation and production of packaging and consumer information manuals for consumer electronic equipment. That same concern applies here. Other manufacturers who are on the verge of beginning to sell competing products in the U.S. markets also would be delayed in their efforts, as they retooled to meet the new requirements.

Adoption of either of API's proposals not only would prevent American consumers from getting immediate access to the benefits provided by these new telephones but also would likely increase the per unit price of these devices.

Adoption of API's first proposal to modify the automatic channel selection mechanism would require some redesign of the unit. Inevitably, the costs associated with this redesign would, to some degree, be passed on to the consuming public.

The costs to consumers of implementing API's second proposal also would be high. Most importantly, as noted above, the effect of API's suggested labelling requirement would be to reduce the number of units sold of the new cordless telephones. As a consequence, Sony and other manufacturers would be forced to recover their development costs from a significantly smaller base of units that would be sold. In order to recover those costs, the price per unit might well have to be increased. This increase in price would itself reduce the number of units that

would be sold, thus further undermining the purpose of the Commission's Report and Order -- to reduce congestion and interference on existing cordless telephone frequencies by permitting migration to the additional frequencies authorized by its decision.

CONCLUSION

For the above reasons, the Commission should summarily deny API's Petition for Reconsideration.

Respectfully submitted,

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July 11, 1995

CERTIFICATE OF SERVICE

I, Karen L. Cross, a secretary in the law offices of Powell, Goldstein, Frazer & Murphy, hereby certify that true copies of the foregoing "Opposition to Petition for Reconsideration" have been served by first class United States mail, postage prepaid, on the following, this 11th day of July, 1995:

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Dated: July 11, 1995